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stock was likewise liable to indemnify his vendor for calls subsequent to the purchase. See 1 MORAWETZ, PRIVATE CORPORATIONS, 2 ed., § 176; 2 COOK, CORPORATIONS, 7 ed., § 258. This result was reached by imposing a constructive trust on the vendor for all dividends paid him as the registered owner, with a consequent right to exoneration from all calls from which he relieved the beneficial owner. *Kellogg v. Stockwell*, 75 Ill. 68; *Humble v. Langston*, 7 M. & W. 517, 530; *Castellan v. Hobson*, L. R. 10 Eq. Cas. 47, 51. See *Locke v. Farmer's, etc. Trust Co.*, 140 N. Y. 135, 143, 35 N. E. 578, 580. But under this trust theory it is equally clear that the agent cannot be held, for the holder of the shares alone would be the beneficiary. Some courts, however, allow the registered holder to recover from his vendee on the basis of an implied contract that he shall be held harmless. *Walker v. Bartlett*, 18 C. B. 845. See *Brigham v. Mead*, 92 Mass. 245. Now in the principal case, as the agent bought to all intents and purposes as the principal, he may be held to the liability of a principal. See 2 MECHEM, AGENCY, §§ 1729, 2419. The question therefore arises, granted that such warranty of indemnification exists, is it limited to the time during which the vendee holds the stock? The basis of this contract theory is the analogy to the promise by the sublessee implied on the assignment of a lease, to indemnify the original lessee for breach of the covenant to pay rent. See *Burnett v. Lynch*, 5 B. & C. 589. But under certain circumstances, even this promise in the case of land is considered limited to the sublessee's period of ownership of the lease. *Walker v. Physick*, 5 Pa. St. 193. In the case of stocks, the ease of transfer and the disinclination that must be present of a vendor to be liable for all subsequent vendees must rebut any implied promise to indemnify for calls after having transferred the stock. The cases have so held. *Rogers v. Tolland*, 43 Pa. Super. Ct. 248, 255. See *Walker v. Bartlett*, 18 C. B. 845, 862.

TRUSTS — POWERS AND OBLIGATIONS OF TRUSTEES — OBLIGATION TO PREFER ONE SORT OF CESTUIS OVER ANOTHER. — A testatrix bequeathed all her property to trustees to convert and raise a fund of which the plaintiff was to be life-tenant. The trustees were given power to delay sale or conversion; but in the meantime the plaintiff was to receive three and one-half per cent interest. The trustees decided, *bona fide*, as the court found, to delay conversion until after the war, when a better price might be obtained. The plaintiff desires an immediate conversion in order that he may obtain a larger interest on the money. He sues to compel the trustees to convert. Held, that the plaintiff must be preferred to the residuary *cestuis*. *Re Charteris*, 179 L. T. J. 179 (Ch. D.).

A court will interfere to prevent the dishonest or capricious use of the power of a trustee. *Dingman v. Beall*, 213 Ill. 238, 72 N. E. 729. But when, as in the principal case, the trustee's discretion is exercised honestly, it cannot in general be reviewed. *Smith v. Wildman*, 37 Conn. 384. Thus when realty is devised to trustees to convert, with discretion to postpone the sale, they may generally exercise this discretion without interference from the court. *In re Blake*, 29 Ch. D. 913. The tendency, however, is not to allow the trustees to vary the relative interests of different classes of the beneficiaries. *In re Courtier*, 34 Ch. D. 136; *In re Rowles*, [1900] 2 Ch. 107. See *Hampden v. Earl of Buckinghamshire*, [1893] 2 Ch. 531, 544. But even this will be allowed if it is clear that the testator intended it. *In re Pitcairn*, [1896] 2 Ch. 199. The principal case, therefore, can only stand if the power of delaying conversion was given primarily for the purpose of protecting the plaintiff. A more natural construction would be that it was given to protect the residuary *cestuis*, especially in view of the fact that the plaintiff was to be paid a definite rate of interest before the conversion.

VOLUNTARY ASSOCIATIONS — EFFECT OF INCORPORATION AND SUBSEQUENT DISSOLUTION. — A beneficial society was formed as an unincorporated associa-